Senate Bill (SB) 743 Implementation in Sonoma County

THE ISSUE

General plans will provide guidance on and set policies regarding the evaluation of transportation impacts under the California Environmental Quality Act (CEQA). A significant change in CEQA practice is being triggered by the implementation of Senate Bill (SB) 743. SB 743 removes the use of automobile delay or traffic congestion for determining transportation impacts in environmental review. Instead, the CEQA Guidelines now specify that Vehicle Miles Traveled, or VMT, is the appropriate metric to evaluate transportation impacts. To comply with these new rules, the jurisdictions will need to define policies and practices for conducting VMT analysis in areas under their jurisdiction.

PURPOSE

This memo considers policy questions around the implementation of SB 743 in Sonoma County, offering guidance on:

a. The background of SB 743 and how it will change planning practice in Sonoma County.
b. The steps involved in implementing SB 743 and options available to jurisdictions with each step.
c. A series of questions for each jurisdiction to consider as they settle on an approach.

It is very important to understand that *the implementation of SB 743 is just beginning across the state*. Current CEQA practices have developed over several decades, as a result of a large body of case law and periodic updates to the CEQA guidelines. Because SB 743 is brand new, there is not yet any case law to guide our understanding or interpretation. The following represents our current understanding of the issues and options involved, informed by our research into SB 743 and knowledge of past CEQA practice; this understanding will evolve over time as more agencies apply SB 743 concepts to their own CEQA procedures.

BACKGROUND

CEQA was enacted in 1970 with the goal of providing a mechanism for disclosing to the public the environmental impacts of proposed actions. Before taking a discretionary action, lead agencies must determine if that action is subject to CEQA and conduct a review of the effects of that action on the physical environment. The State Office of Planning and Research (OPR) prepares and maintains a set of guidelines to help agencies implement CEQA.

Typical CEQA Practice

Under CEQA, lead agencies must determine whether a proposed project has the potential to cause significant environmental impacts. This determination must be based, to the extent possible, on factual data and scientific methods of analysis. The project's effect on transportation is one of the areas that must be analyzed. Jurisdictions have typically used vehicle Level of Service (LOS) as the primary measure of a project's transportation impacts.

LOS is a qualitative description of traffic flow based on factors of speed, delay, and freedom to maneuver. Six levels are defined from LOS A, which reflects free-flow conditions where there is very little interaction between vehicles, to LOS F, where the vehicle demand exceeds the capacity and high levels of vehicle delay result. LOS E represents "at-capacity" operations. When traffic volumes exceed an intersection's capacity, stop-and-go conditions result and a vehicle may wait through multiple signal cycles before passing through an intersection; these operations are designated as LOS F. The calculation of vehicle LOS is done through the application of specialized software and is based on traffic counts, observations of vehicle interactions, and data about traffic signal operations (at those intersections that are signalized).

Under CEQA, agencies must decide what constitutes a significant environmental impact. The CEQA Guidelines encourage the use of thresholds of significance; these can be quantitative or qualitative performance standards by which the agency can measure the amount of impact the project causes and thereby determine if the project's impacts are significant. A typical CEQA practice has been to apply a threshold of LOS D, depending on the location and context.

Mitigating a LOS impact typically involves making changes to the physical transportation system in order to accommodate additional vehicles and reduce delays. These mitigations

may involve actions such as installing traffic signals, adding turn lanes, widening roads, or contributing toward the construction of HOV/Express Lanes, among other options.

Changes in CEQA Practice

In September 2013, the legislature passed and Governor Jerry Brown signed into law SB 743, initiating a process intended to fundamentally change transportation impact analysis under CEQA. One major change resulting from the statute is the elimination of automobile delay or other similar measures of traffic congestion as a basis for determining significant impacts. According to the legislative intent contained in SB 743, these changes to current practice are intended to "*more appropriately balance the needs of congestion management with statewide goals related to infill development, promotion of public health through active transportation, and reduction of greenhouse gas emissions.*"

As of December 2018, OPR completed an update to the CEQA Guidelines to implement the requirements of SB 743. The Guidelines state that VMT must be the metric used to determine significant transportation impacts. This requirement will apply statewide effective July 1, 2020; lead agencies can opt in sooner at their own discretion. For reference, the new CEQA Guidelines can be found at http://resources.ca.gov/ceqa/ and additional technical guidance is available from OPR at http://opr.ca.gov/docs/20190122-743_Technical_Advisory.pdf.

VMT is a measure of the total amount of vehicular travel. One vehicle traveling ten miles would equal 10 VMT. Four vehicles traveling ten miles would equal 40 VMT. Typically, development located at greater distances from other land uses or in areas with few transportation options generate more vehicle trips and trips of greater length (and therefore more VMT) than development located in close proximity to other uses or in areas with many transportation choices. VMT is an important input in the analysis of air quality and greenhouse gas (GHG) emissions, and has been used for that purpose within CEQA documents for years. What has changed with SB 743 is that VMT is now being used to measure transportation impacts.

Mitigating a VMT impact involves different types of actions than mitigating a LOS impact. VMT mitigation requires actions that reduce the number or the length of vehicle trips generated by a project. This might involve modifying the project's characteristics or

location so that it generates fewer vehicle trips or trips of shorter distance; options may include locating the project closer to public transit facilities, changing the project's characteristics to include a broader mix of complementary land uses, requiring that it provide amenities to support bicycling and walking, or adopting paid parking, among other possibilities.

Many jurisdictions find that travel time and system delay are still important issues for their residents, and SB 743 does not prevent an agency from continuing to analyze vehicle delay or LOS as part of plans, fee programs, or on-going network monitoring outside of the CEQA process. The most common applications will likely occur for agencies wanting to use vehicle LOS to size roadways in their general plan, to determine nexus relationships for impact fee programs, or to require installation of physical improvements in situations where delay exceeds the LOS standard established in the General Plan.

IMPLEMENTING SB 743 IN SONOMA COUNTY

There are several components of SB 743 implementation that jurisdictions will need to consider and address. For each component listed below, the options available are summarized in the remainder of this memo, and are described in more detail in the accompanying matrix (Attachment A).

- **Metrics**: how VMT is presented;
- **Screening**: which projects will require quantitative VMT analysis and which projects can be presumed not to cause a VMT impact;
- **Methods**: what techniques will be used to calculate and forecast VMT;
- **Thresholds**: what level of VMT is considered to be a significant environmental impact; and,
- **Mitigation**: how project sponsors can address a project's significant VMT impacts.

In addition, there are three separate types of projects that are subject to CEQA review and for which VMT evaluation will be needed, so jurisdictions will need to address how each of these three types will be evaluated:

- **Land Use Projects**: typically development projects on a single parcel or multiple adjacent parcels;
- **Land Use Plans**: such as a General Plan update and future Specific Plans;
- **Transportation Projects**: infrastructure changes such as building or removing roads, bicycle facilities, transit facilities, and the like.

VMT METRICS

The new CEQA Guidelines Section 15064.3(b)(4) establishes that the lead agency has discretion to choose the most appropriate methodology to evaluate a project's VMT, including whether to express the change in absolute terms, per capita, per household or in any other measure. A lead agency may use models to estimate a project's VMT, and may revise those estimates to reflect professional judgment based on substantial evidence. Any assumptions used to estimate VMT and any revisions to model outputs should be documented and explained in the environmental document prepared for the project. The standard of adequacy in Section 15151 shall apply to the analysis described in this section.

The guidelines cover residential, office, and retail land uses. Lead agencies, using more location-specific information, may develop their own methodology and thresholds for other land use types. For all VMT estimates, the method should capture the full trip length to the extent feasible and reasonable.

- For residential land uses, the guidelines recommend using automobile VMT per capita for home-based trips. In this form, the VMT per capita represents the VMT generated by household residents for only trips with one trip end at the household.
- For office land uses, the guidelines recommend using automobile VMT per worker for work-related trips only. In this form, the VMT per capita represents the VMT generated by workers for only trips with one trip end at the work location.
- For retail land uses, the guidelines recommend using total automobile VMT.

Preliminary VMT information is provided below to illustrate a potential VMT metric jurisdictions may choose and to provide jurisdictions with a sense of how their VMT will compare to the county average prior to model data becoming available. As part of the model enhancement work Fehr & Peers will develop three different VMT quantification methodologies and post-processors, consistent with OPR guidelines, to produce the following three different measures of VMT to provide lead agencies with a range of VMT quantification options to choose from.

1. Personal automobile VMT per capita – captures all personal automobile trips produced by households
2. Personal automobile VMT per employee – captures personal automobile work-related trips attracted to employment locations

3. Total vehicle VMT per service population (population + employment) – captures all vehicle trips starting or ending at a particular land use

Total VMT per Service Population

CEQA impact analysis should strive to provide a complete picture of the VMT effects on the environment. Current practice relies on estimates of total weekday VMT. Both 'project generated VMT' and the 'project effect on VMT' are recommended to fully account for VMT effects that may include changes to VMT generation from neighboring land uses. Total weekday VMT includes all vehicle trips, vehicle types, project land uses, and trip purposes. This contrasts with the OPR Technical Advisory recommendation to use partial VMT for individual land uses such as residential and office.

While separating land uses within a project deviates from the conventional CEQA practice of identifying 'project' impacts, it may prove useful for streamlining environmental review related to VMT especially when relying on map-based screening. Understanding where built environment conditions create low residential and worker VMT is substantial evidence that could help support conclusions that adding similar land uses to those areas would create similar outcomes. For projects that may be subject to further scrutiny from neighbors or opposition groups, only reporting a portion of VMT from select trip purposes or tours and limiting the VMT to light-duty vehicles could be considered an incomplete analysis of VMT.

Project applicants may also have concerns with the separation of land uses because it may produce VMT forecasts that dilute the benefits of their projects. For example, mixed-use projects help reduce VMT by shortening vehicle trip lengths or reducing vehicle trips because of the convenience of walking, bicycling, or using transit between project destinations. To quantify these effects with models used in current practice requires analyzing the project as whole.

For these reasons, lead agencies should consider including total VMT in their analysis and express it as total VMT per service population (i.e., population plus employment, population plus employment plus students, population plus employment plus visitors) if using an efficiency metric form. If reporting individual components of total VMT is meaningful for impact analysis, then separate processing can usually be done to isolate light-duty vehicle VMT from heavy-duty vehicle VMT as well as to provide VMT by trip tours or purposes.

Producing land use specific VMT can be difficult when using travel forecasting models whose trip generation estimates are based on population and employment instead of

land uses, or when the model trip assignment step does not retain the original land use generator of the trips in the final origin-destination trip tables. However, the SCTA model trip generation estimates are based on the number of housing units and square footage of non-residential land uses, and contains sufficient zonal detail, allowing the model to potentially estimate VMT for specific land uses.

The following VMT estimates were produced using 2017 mobile device data collected for 188 zones in Sonoma County as part of the Sonoma County Travel Behavior Study. The VMT estimates represent total VMT, including all vehicle trips, vehicle types, project land uses, and trip purposes, expressed as total VMT per service population (population plus employment). It is important to note this information is most similar to the "Total vehicle VMT per service population" model quantification methodology described above as it includes VMT for all vehicle types and trip purposes.

Table 1 provides a summary of service population (population plus employment) and Total VMT per service population for Sonoma County and all Sonoma County jurisdictions.

Table 1: Sonoma County Total VMT Per Service Population

Jurisdiction	2015 Service Population (Population + Employment)	2017 Total VMT Per Service Population
Sonoma County	711,978	30.0
Cloverdale	10,793	32.3
Healdsburg	21,084	26.8
Windsor	37,412	30.9
Santa Rosa	277,182	30.5
Sebastopol	13,122	27.8
Rohnert Park	67,027	37.0
Cotati	10,648	30.8
Petaluma	103,214	30.4
Sonoma	17,058	32.3
Unincorporated	157,513	25.8

Question for consideration: Which VMT metric should be used to describe the VMT effects of projects in my jurisdiction?

Fehr & Peers recommends the inclusion of "Total Vehicle VMT" expressed as an absolute measure or in efficiency metric form as CEQA impact analysis should strive to provide a complete picture of the VMT effects on the environment, and only reporting a portion of VMT from select trip purposes or tours and limiting the VMT to light-duty vehicles could be considered an incomplete analysis of VMT.

PROJECT SCREENING

The concept of project screening is that some projects have characteristics that would readily lead to the conclusion that they would not cause a VMT impact, and therefore those projects could be screened out of doing a detailed VMT analysis. The CEQA Guidelines explicitly state that projects within ½ mile of a major transit stop or a stop along a high-quality transit corridor (i.e., with at least 15-minute headways during peak hours) should be presumed to have no impact on VMT.

In addition, the Technical Advisory presents a method for "map-based" screening, where projects located in low-VMT areas may require only a qualitative discussion of their VMT effects, provided they comply with best practices for infill development. The areas that would qualify as "low-VMT" areas would depend on how the jurisdiction defines its VMT metrics and thresholds.

Land use projects may also be screened out of further analysis if they are very small (110 vehicle trips per day or less), or can be demonstrated to primarily attract trips that would otherwise travel a longer distance (local serving retail less than 50,000 square feet). Further, certain transportation projects, such as installation of bicycle/pedestrian/transit facilities, or projects designed to address a localized operational issue, can be presumed not to contribute to increased VMT.

> *Question for consideration: Should there be a defined set of project screening criteria in my jurisdiction, and if so, what should those criteria include?*

Table 2 provides options for screening criteria for land use projects. These screening criteria are based on OPR and other screening criteria being considered by agencies in the Bay Area region.

Table 2: Screening Criteria for Land Use Projects	
Screening Criteria	**Discussion**
Small Projects	Defined as generating _____ or less average daily vehicle trips. Trip thresholds being used elsewhere: • OPR suggests 110 daily vehicle trips (based on a 10,000 square foot office building and applying Institute of Transportation Engineers average trip generation rates)[1] • City of San José defines "small infill projects" as single-family detached housing of 15 units or less; OR single-family attached or multi-family housing of 25 units or less; OR office of 10,000 square feet of gross floor area or less; OR industrial of 30,000 square feet of gross floor area or less (based on Institute of Transportation Engineers vehicle-trip-generation rates) • City of Los Angeles is using 250 daily vehicle trips or a net increase in daily VMT (by applying City's VMT Calculator) For context, 150 daily vehicle trips roughly correspond to ~15 single-family residential units, ~20 multifamily residential units, ~15,000 square foot office, and ~20,000 square foot industrial (based on Institute of Transportation Engineers vehicle-trip-generation rates).
Map-Based Screening for Residential and Office Projects for locations in VMT efficient areas.	Low-VMT generating areas tend to have a variety of factors that help produce the low VMT outcome. When new land uses are like those that already exist in the low VMT generating area or will complement the land uses that already exist, then the presumption of a less than significant impact in these areas has a stronger evidence base. Residential and office projects that locate in areas with low VMT, that are similar in nature to surrounding land uses, tend to exhibit similar low VMT. Maps are used to display the locations within a region that are VMT efficient. City of San José screens out residential and office projects located in Planned Growth Areas (PGAs) with low VMT near high-quality transit that incorporate transit-supporting features with no more than the minimum parking required and does not negatively impact active travel modes. City of San José prepared screening maps for residential projects and office projects.
Near Transit Stations	Proposed CEQA Guideline Section 15064.3, subdivision (b)(1), states that lead agencies generally should presume that certain projects (including residential, retail, and office projects, as well as projects that are a mix of these uses) proposed within ½ mile of an existing major transit stop or an existing stop along a high quality transit corridor[2] will have a less-than-significant impact on VMT. This presumption would not apply, however, if project-specific or location-specific information indicates that the project will still generate

[1] CEQA provides a categorical exemption for existing facilities, including additions to existing structures of up to 10,000 square feet, so long as the project is in an area where public infrastructure is available to allow for maximum planned development and the project is not in an environmentally sensitive area. (CEQA Guidelines, § 15301, subd. (e)(2).) Typical project types for which trip generation increases relatively linearly with building footprint (i.e., general office building, single tenant office building, office park, and business park) generate or attract an additional 110-124 trips per 10,000 square feet. Therefore, absent substantial evidence otherwise, it is reasonable to conclude that the addition of 110 or fewer trips could be considered not to lead to a significant impact.

[2] Major transit stop: a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, of the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. High quality transit corridor: a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute periods.

Table 2: Screening Criteria for Land Use Projects	
Screening Criteria	**Discussion**
	significant levels of VMT. For example, the presumption might not be appropriate if the project: • Has a Floor Area Ratio (FAR) of less than 0.75 • Includes more parking for use by residents, customers, or employees of the project than required by the jurisdiction (if the jurisdiction requires the project to supply parking) • Is inconsistent with the applicable Sustainable Communities Strategy (as determined by the lead agency, with input from the Metropolitan Planning Organization) • Replaces affordable residential units with a smaller number of moderate- or high-income residential units
Affordable Housing	Adding affordable housing to infill locations generally improves jobs-housing balance, in turn shortening commutes and reducing VMT. In areas where existing jobs-housing match is closer to optimal, low income housing nevertheless generates less VMT than market-rate housing. Therefore, a project consisting of a high percentage of affordable housing may be a basis for the lead agency to find a less-than-significant impact on VMT. Evidence supports a presumption of less than significant impact for a 100 percent affordable residential development (or the residential component of a mixed-use development) in infill locations. The City of San José screens out 100% restricted affordable residential projects or components located in Planned Growth Areas (PGAs) with low VMT (or include a robust TDM plan) near high-quality transit that incorporate transit-supporting features with no more than the minimum parking required and does not negatively impact active travel modes. City of San José prepared a screening map for affordable housing projects showing locations that meet the screening criteria.
Locally Serving Retail Project	A local economy tends to influence the decisions to build and operate new local serving retail uses. In general, these uses introduce new opportunities to purchase goods near surrounding neighborhoods. By adding retail opportunities into the urban fabric and thereby improving retail destination proximity, local-serving retail development tends to shorten trips and reduce VMT. Thus, lead agencies generally may presume such development creates a less-than-significant transportation impact. Regional-serving retail development, on the other hand, which can lead to substitution of longer trips for shorter ones, may tend to have a significant impact. Where such development decreases VMT, lead agencies should consider the impact to be less-than-significant. Many lead agencies define local-serving and regional-serving retail in their zoning codes. Lead agencies may refer to those local definitions when available, but should also consider any project- specific information, such as market studies or economic impacts analyses that might bear on customers' travel behavior. Because lead agencies will best understand their own communities and the likely travel behaviors of future project users, they are likely in the best position to decide when a project will likely be local-serving. Generally, however, retail development including stores larger than 50,000 square feet might be considered regional-serving, and so lead agencies should undertake an analysis to determine whether the project might increase or decrease VMT.

Table 2: Screening Criteria for Land Use Projects	
Screening Criteria	**Discussion**
	For context, a typical drug store (such as Rite-Aid or CVS) is approximately 11,000-15,000 square feet. A grocery store (such as Safeway or Whole Foods) is typically 40,000-50,000 square feet. The City of San José screens out local-service retail that is 100,000 square feet of total gross floor area or less without drive-through operations. In addition to other screening criteria, the City of Los Angeles screens out small-scale or local serving retail uses that do not exceed a net 50,000 square feet. However, if the retail project is part of a larger mixed-use project, then the remaining portion of the project may be subject to further analysis in accordance with the above screening criteria.
Locally Serving Public Facility	Follows the same summary as locally serving retail. Locally serving public facilities typically tend to shorten trips and reduce VMT.
Mixed Use Projects	OPR suggests that each component of a mixed-use project is considered separately; therefore, the project's individual land uses should be compared to the screening criteria. It is possible for some of the mixed-use project's land uses to be screened out and some to require further analysis. Alternatively, a lead agency may consider only the project's dominant use. In the analysis of each use, a project should take credit for internal capture. Combining different land uses and applying one threshold to those land uses may result in an inaccurate impact assessment.
Redevelopment Projects	Where a project replaces existing VMT-generating land uses, if the replacement leads to a net overall decrease in VMT, the project would lead to a less-than-significant transportation impact.
Streamlining Projects that are Consistent with the General Plan and Precise Plans	Streamlining projects that are consistent with the General Plan or a Precise Plan are likely to be screened out (to provide an incentive for these projects) as long as that General Plan or Precise Plan EIR (or some other environmental clearance document) has evaluated VMT impacts in the transportation section.

Source: OPR Technical Advisory (2018), City of San José (2018), City of Los Angeles (2019), Fehr & Peers (2020).

METHODS FOR FORECASTING VMT

VMT is typically calculated and forecasted using a travel demand model, which can estimate the total number and length of vehicle trips for a given geographic area. Using a travel demand model is preferred over other methods, such as using sketch models or spreadsheet tools, because a travel model is better able to account for both project-generated VMT and the project's effect on total areawide VMT, both of which are important in a CEQA analysis. The OPR Technical Advisory recommends that the method

used to define a VMT threshold should be the same method that is used to evaluate a project's VMT impact against that threshold.

There are two primary types of travel demand model: activity-based (also called tour-based) models, such as the MTC model, and trip-based models such as the SCTA model. Either type of model can be used to develop VMT forecasts. The Technical Advisory also specifies that the VMT evaluation should capture the full length of the trips being analyzed, and should not truncate those trips at jurisdictional or model boundaries.

There are two primary travel demand models available for the purposes of VMT analysis in Sonoma County: the MTC model and the SCTA model. The MTC model covers the entire nine-county Bay Area region while the SCTA model covers the entirety of Sonoma County and utilizes gateway factors to account for the portion of trips that travel outside the model boundaries. The SCTA model includes a more detailed representation of the Sonoma County transportation network and land use patterns, and is the model typically used for most project-specific applications in Sonoma County jurisdictions.

The SCTA model is a trip-based model, which means it is more difficult to separately measure the VMT generated by residents and workers, but can be accomplished using productions and attractions to simulate resident vs. worker trip ends. The MTC model is an activity-based (or tour-based) model, meaning it can track VMT separately for different categories of people (residents, workers, students). An application of the SCTA model takes about 30 minutes on a typical modeling computer. An application of the MTC model takes at least 24 hours and requires a more advanced computer system. A more detailed review of the two models can be conducted if there are specific questions. Once a model is selected, the model should be checked to confirm that it is regularly calibrated and validated, that it is reasonably sensitive to future changes that can affect VMT, and whether it has any geographic limitations (such as truncating trips at a jurisdictional boundary) that would need to be compensated for using post-processing when using it to produce VMT forecasts. Fehr & Peers is currently refining and enhancing the SCTA model's accounting of Sonoma County-generated VMT outside the model's boundary.

> *Question for consideration: What model should be used to establish a forecasting method for VMT in my jurisdiction?*

Table 3 provides a comparison of the MTC and SCTA models for the purposes of VMT analysis in Sonoma County.

Table 3: Travel Model Comparison	MTC Model	SCTA Model
Model Coverage	Nine-County Bay Area – lower level of trip truncation at the model boundary	Sonoma County – higher level of trip truncation at the model boundary
Sonoma County TAZ Detail	Relatively coarse TAZ system	Very fine TAZ system
TAZ Boundaries	Boundaries are generally aligned with natural and manmade boundaries with much larger TAZs. Does not match city boundary as well due to larger size of zones	Boundaries are more precisely aligned to natural and manmade boundaries (e.g. city boundary, freeway, railroad, etc.) Matches city boundary better due to smaller size of zones
Land Use Input Type	Population and Employment	Residential dwelling units and square footage of non-residential land uses
Model Runtime	24 hours	30 minutes
Other Software Required	Java, R, Python, Windows Server	Cube Voyager
Use	Few consultants and no municipal agencies will have access to a server-based multi-core platform and the Java expertise required to run the model, limiting the pool of potential users of the model.	Many consultants will have access to all software and hardware required to run the model.

SETTING VMT SIGNIFICANCE THRESHOLDS

Since SB 743 introduces a new mandatory metric for use in transportation impact analysis, lead agencies will be required to determine what constitutes acceptable versus unacceptable levels of VMT for CEQA analysis. Specific effects and outcomes from the shift to VMT analysis will depend on the VMT thresholds a jurisdiction establishes for land use and transportation projects. These thresholds will define what constitutes an acceptable level of VMT and what requires mitigation actions. This process is generally referred to as establishing significance thresholds and is governed by CEQA Section 15064.7, which states the following.

15064.7. THRESHOLDS OF SIGNIFICANCE. (a) Each public agency is encouraged to develop and publish thresholds of significance that the agency uses in the determination of the significance of environmental effects. A threshold of significance is an identifiable quantitative, qualitative or performance level of an environmental effect, non-compliance with which means the effect will normally be determined to be significant by the agency and compliance with which means the effect normally will be determined to be less than significant. (b) Thresholds of significance to be adopted for general use as part of the lead agency's environmental review process must be adopted by ordinance, resolution, rule, or

regulation, and developed through a public review process and be supported by substantial evidence. (c) When adopting thresholds of significance, a lead agency may consider thresholds of significance previously adopted or recommended by other public agencies or recommended by experts, provided the decision of the lead agency to adopt such thresholds is supported by substantial evidence.

Following these recommendations are useful in establishing clarity and consistency in environmental impact analysis. With regards to SB 743 and establishing thresholds for VMT, lead agencies will have at least two options:

1) **Rely on VMT threshold recommendations developed by OPR.**
   In absence of lead agency specific thresholds, VMT impact analysis may rely on the thresholds contained in the OPR SB 743 recommendations. The current OPR threshold guidance is contained in *Technical Advisory on Evaluating Transportation Impacts in CEQA*. OPR recommends that VMT thresholds for a land use project are set at fifteen percent below the baseline (conditions when NOP is released) VMT/capita for the city, county, or region. To achieve a VMT reduction equivalent to fifteen percent below Sonoma County's baseline average, a typical new suburban development project located further than a half-mile from a transit facility (such as a SMART station) would likely have to incorporate project changes and/or transportation demand management (TDM) measures, which will be discussed in more detail in the next section. For projects not able to reach this maximum level of reduction, VMT impacts would remain significant and unavoidable, and preparation of an environmental impact report (EIR) would be necessary, with approval of impact override findings for project approval.

2) **Develop jurisdiction specific VMT thresholds.**

   Jurisdictions will need VMT thresholds for land use plans, development projects, and transportation projects. Determining when a VMT change represents an unacceptable condition as part of setting a threshold is difficult to establish without linking VMT to other environmental resources and considering its relationship to the built environment and economic factors. VMT by itself is a composite metric that measures the vehicle travel effect associated with land use patterns, amount of growth, and transportation network changes. Further, VMT also varies over time as a function of economic activity and travel cost. VMT tends to increase with economic activity and decline with higher costs for vehicle travel (i.e., higher gas prices).

VMT with respect to other environmental resources is best understood for its relationship to air pollution and GHGs as well as other effects such as energy consumption and public health. While all these topics should be addressed in other sections of the environmental document, SB 743 requires the analysis of VMT as a transportation impact and lead agencies will need to adopt VMT thresholds to comply with the law. These thresholds should be supported by substantial evidence as specified in CEQA Guidelines Section 15064.7 and consider all three objectives in SB 743: reduce GHGs, encourage infill development and promote active transportation.

If a lead agency decides to set their own thresholds, those thresholds should be consistent with key regional transportation planning documents, such as Plan Bay Area. This region's Regional Transportation Plan/Sustainable Community Strategy contains regional and local projections of VMT growth associated with anticipated changes in population, employment, and the regional transportation network. Additional VMT reduction may be achieved at the project level especially through TDM strategies and active transportation network expansion, which are not fully accounted for in regional level travel forecasting models.

Question for consideration: What VMT threshold should I rely on for projects in my jurisdiction? Should the threshold be quantitative or qualitative?

In summary, this guidance emphasizes the need for substantial evidence to support the thresholds used to determine when a project will cause an unacceptable environmental condition or outcome. For SB 743, the specific outcome of focus is the change a project will cause in VMT. Since VMT is already used to determine air quality, energy, and greenhouse gas impacts as part of CEQA compliance, the challenge for lead agencies is to answer the question, "What type or amount of change in VMT constitutes a significant impact solely for transportation purposes?" Example VMT thresholds adopted or currently under consideration by other agencies are provided in Attachment B.

MITIGATION OPTIONS

As described earlier, mitigating a VMT impact involves taking actions that reduce the number or length of trips generated.

Mitigation Options for Land Use Plans and Land Use Projects

For large area plans such as general plans and specific plans, mitigation will typically focus on physical design elements related to the ultimate built environment, such as the density and mix of land uses as well as the availability and quality of the transportation network related to transit, walking, and bicycling.

For individual development projects, the primary available methods of mitigating a VMT impact are to either: 1) change the project; or 2) implement a program designed to reduce VMT, such as a Transportation Demand Management (TDM) program. The available research indicates that the effectiveness of TDM measures varies substantially depending on the context in which they are applied; for example, offering subsidized transit passes may cause a notable increase in transit use in neighborhoods that have several bus route options that operate frequently throughout the day, but will have a much more limited effect in neighborhoods with only hourly bus service on a single route. Because of the site-specific nature and significant variability in the effectiveness of TDM programs, a mitigation that relies on TDM would require a rigorous ongoing monitoring and reporting program to ensure that it results in the level of VMT reduction anticipated.

An important consideration for the mitigation effectiveness is the scale of TDM strategy implementation. The biggest effects of TDM strategies on VMT (and resultant emissions) derive from regional policies related to land use location efficiency and infrastructure investments that support transit, walking, and bicycling. While there are many measures that can influence VMT and emissions that relate to site design and building operations, they have smaller effects that are often dependent on final building tenants.

Of the 50 transportation measures presented in the CAPCOA 2010 report *Quantifying Greenhouse Gas Mitigation Measures*[3], 41 are applicable at building and site level. The remaining nine are functions of, or depend on, site location and/ or actions by local and regional agencies or funders.

Table 4 summarizes the strategies according to the scope of implementation and the agents who would implement them.

[3] http://www.capcoa.org/wp-content/uploads/2010/11/CAPCOA-Quantification-Report-9-14-Final.pdf

Table 4: Summary of Transportation-Related CAPCOA Measures		
Scope	**Agents**	**CAPCOA Strategies (see full CAPCOA list below)**
Building Operations	Employer, Manager	**26 total** from five CAPCOA strategy groups: • **3** from 3.2 Site Enhancements group • **3** from 3.3 Parking Pricing Availability group • **15** from 3.4 Commute Trip Reduction group • **2** from 3.5 Transit Access group • **3** from 3.7 Vehicle Operations group
Site Design	Owner, Architect	**15 total** from three strategy groups: • **6** from 3.1 Land Use group • **6** from 3.2 Site Enhancements group • **1** from 3.3 Parking group • **2** from 3.6 Road Access group
Location Efficiency	Developer, Local Agency	**3 shared** with Regional and Local Policies
Alignment with Regional and Local Policies	Regional and local agencies	**3 shared** with Location Efficiency
Regional Infrastructure and Services	Regional and local agencies	**6 total**

Note: Disruptive trends, including but not limited to, transportation network companies (TNCs), autonomous vehicles (AVs), internet shopping, and micro-transit may affect the future effectiveness of these strategies.
Source: Fehr & Peers, 2020

Of these strategies, only a few are likely to be effective in a rural or suburban setting. To help narrow the list, we reviewed how land use context could influence each strategy's effectiveness and identified the seven for more detailed review. Please note that disruptive trends, including but not limited to, transportation network companies (TNCs), autonomous vehicles (AVs), internet shopping, and micro-transit may affect the future effectiveness of these strategies.

1. Increase diversity of land uses – This strategy focuses on inclusion of mixed uses within projects or in consideration of the surrounding area to minimize vehicle travel in terms of both the number of trips and the length of those trips.

2. Provide pedestrian network improvements – This strategy focuses on creating a pedestrian network within the project and connecting to nearby destinations.

3. Provide traffic calming measures and low-stress bicycle network improvements – This strategy combines the CAPCOA research focused on traffic calming with new research on providing a low-stress bicycle network. Traffic calming creates networks with low vehicle speeds and volumes that are more conducive to walking and bicycling. Building a low-stress bicycle network produces a similar outcome.

Implementation options are similar to strategy 2 above. One potential change in this strategy over time is that e-bikes (and e-scooters) could extend the effective range of travel on the bicycle network, which could enhance the effectiveness of this strategy.

4. Implement car-sharing program – This strategy reduces the need to own a vehicle or reduces the number of vehicles owned by a household by making it convenient to access a shared vehicle for those trips where vehicle use is essential. Note that implementation of this strategy would require regional or local agency implementation and coordination and would not likely be applicable for individual development projects.

5. Increase transit service frequency and speed – This strategy focuses on improving transit service convenience and travel time competitiveness with driving. In low density areas, this strategy may be limited to traditional commuter transit where trips can be pooled at the start and end locations or require new forms of demand-responsive transit service. The demand-responsive service could be provided as subsidized trips by contracting to private TNCs or Taxi companies. Alternatively, a public transit operator could provide the subsidized service but would need to improve on traditional cost effectiveness by relying on TNC ride-hailing technology, using smaller vehicles sized to demand, and flexible driver employment terms where drivers are paid by trip versus by hour. Note that implementation of this strategy would require regional or local agency implementation, substantial changes to current transit practices, and would not likely be applicable for individual development projects.

6. Encourage telecommuting and alternative work schedules – This strategy relies of effective internet access and speeds to individual project sites/buildings to provide the opportunity for telecommuting. The effectiveness of the strategy depends on the ultimate building tenants and this should be a factor in considering the potential VMT reduction.

7. Provide ride-sharing programs – This strategy focuses on encouraging carpooling and vanpooling by project site/building tenants and has similar limitations as strategy 6 above.

Because of the limitations noted above, strategies 1, 2, 3, 6, and 7 are initially considered the highest priorities for individual land use project mitigation subject to review and discussion with the project team and advisory committee.

Mitigation Options for Transportation Projects

Based on the current OPR guidance, the only transportation projects likely to have VMT impacts are larger roadway capacity expansion projects. Transit, bicycle, pedestrian, and smaller roadway modification projects would be presumed to have a less than significant VMT impact. Mitigation for larger roadway projects would involve options such as managed lane operations, the use of pricing to influence travel behavior, or participation in a VMT exchange program whereby a project that causes VMT increases can offset those impacts by funding VMT-reducing projects elsewhere.

> *Question for consideration: What types of VMT reduction strategies are appropriate for application in my jurisdiction, and what magnitude of VMT reduction can be achieved through those strategies?*

CONTINUED USE OF VEHICLE DELAY METRICS

If jurisdictions feel that vehicle delay is an important issue that should continue to be monitored, the agency can continue to use vehicle LOS as part of its transportation planning and entitlement review process. Jurisdictions that are not in the process of updating their general plan could continue to use their existing vehicle LOS criteria. Jurisdictions that are in the process of updating their general plan could retain a set of LOS criteria and require project-level LOS analysis; if that analysis indicates that a project would not meet the LOS criteria and identifies some physical improvements, those improvements could then be required as a condition of approval on that project.

The use of LOS analysis can also help to define the elements of a future transportation network that would achieve the jurisdiction's goals. The set of infrastructure improvements needed to complete that network could then be funded through an impact fee program, which would provide a method for addressing the cumulative impacts of future development.

> *Question for consideration: Do agencies find the continued use of LOS analysis valuable, and if so, under what circumstances will LOS analysis be required?*

VMT THRESHOLD POLICY CONSIDERATIONS

Lead agencies may consider several approaches to setting VMT thresholds in compliance with SB 743, as well as for establishing the community's transportation and circulation expectations through their General Plan. Many agencies will revisit their General Plan to align plan- and project-level review and mitigation in a consistent way. If updating their general plan, the agency should address VMT in the general plan EIR to allow streamlined review of future development. An example of how the City of San Jose implemented a VMT threshold policy is provided in Attachment C.

1. OPTIONS FOR ADOPTING VMT THRESHOLDS WHEN UPDATING GENERAL PLAN

When an agency updates its General Plan, it may undergo environmental review once SB 743 is applied statewide. Even if the environmental review is performed prior to July 1, 2020, Caltrans has adopted the OPR draft guidelines, and, as a commenting agency, may request VMT analysis be included in the general plan. Therefore, Fehr & Peers recommends a VMT analysis be conducted for a general plan update during the environmental impact assessment stage even prior to July 1, 2020.

a. Option A: Use OPR Plan-Level VMT Thresholds for General Plan environmental review process.

Pros: Provides simple guidance for thresholds that are known to be consistent with most up-to-date state-level guidance; Caltrans is likely to refer to these thresholds in their review of transportation impacts of land use plans and land use projects in absence of locally established thresholds.

Cons: OPR Thresholds may not fully reflect the local transportation context. They also may present unrealistic mitigation goals for new development projects in Sonoma County.

b. Option B: Adopt (i.e., through resolution or ordinance) jurisdiction specific VMT thresholds.

Pros: Allows for locally based determination of what constitutes an environmental impact. Also allows for adjustments to realistic TDM-based and project-based mitigation goals.

Cons: Agency staff would need to establish substantial evidence for the specific adopted thresholds. This is particularly important if the thresholds deviate from the OPR recommendations or are inconsistent with the RTP/SCS developed by MTC. Such an effort would require the assistance of a CEQA attorney and transportation consultant with experience in VMT modeling and corresponding mitigation measures.

What VMT impact analysis approaches are available for lead agencies wanting to comply now with SB 743 but have not developed their own methods or thresholds?

a. **Option A: Set Thresholds consistent with existing general plan.**
This option relies on the VMT growth budget already established in a city or county general plan and associated EIR. A general plan establishes how much growth is anticipated in the jurisdiction, where that growth will occur and in what forms, plus the transportation network modifications necessary to support that growth. VMT is a composite metric that results from this combination of general plan land use and transportation decisions. Therefore, each adopted general plan in California already has a VMT growth budget that the adopting agency has accepted.

This is a starting point for threshold expectations and can be quantified using the general plan travel forecasting model, if one exists, or from regional travel forecasting models used by MPOs and RTPAs to develop RTPs and RTP/SCSs. The incremental difference between base year and future year VMT generated by the jurisdiction in these models represents currently accepted VMT levels. The VMT can be expressed in absolute terms or as an efficiency metric such as total VMT per service population to create a VMT impact threshold tied exclusively to the general plan. Projects can be evaluated using the appropriate travel forecasting model to determine whether they cause an increase in the incremental total VMT growth for the jurisdiction or would generate VMT at a higher rate than anticipated by the general plan for the relevant traffic analysis zone(s).

The main limitation of this approach is that many general plans were not developed since the state has approved a variety of new laws related to climate change and GHG reduction. These older general plans have not yet attempted to address the tradeoffs between state expectations for emissions and VMT reductions and all the other local community objectives. Hence, a threshold derived solely based on general plan expectations may fail to meet the expectations of the SB 743 statute related to significance criteria. Specific factors to consider include reduction of GHG emissions, development of multimodal transportation networks, and a diversity of land uses. These factors may require alternative threshold options such as Option B below.

b. Option B: Set Thresholds Based on State Goals that are Consistent with Lead Agency Air Quality, GHG Reduction, and Energy Conservation Goals.

This option sets a threshold consistent with a lead agency's air quality, GHG reduction, and energy conservation goals presuming they are aligned with, or exceed, state goals. Debate still exists about whether state goals as expressed in state plans, Governor executive orders, etc., constitute environmental thresholds. Nevertheless, OPR, ARB, and Caltrans have developed specific quantitative threshold recommendations for VMT/GHG reduction. These are largely based on state goals and are also consistent with the legislative intent of SB 743, which includes GHG reduction.

Given the ARB regulatory responsibility related to emissions and the Caltrans owner/operator responsibility for the state transportation system, their recommended thresholds for VMT impact analysis should be recognized and at least discussed in transportation impact analysis. Including this information will help inform decision makers and the public how the state and these specific agencies view VMT effects of projects. One benefit of relying on ARB or other state agencies for a threshold recommendation is a CEQA Guidelines provision in Section 15064.7(c) that indicates "a lead agency may consider thresholds of

significance previously adopted or recommended by other public agencies or recommended by experts".

The following is a summary of the most recent state reduction targets related to VMT/GHG that could serve as VMT impact threshold values for land use projects and plans.

- The most recent ARB analysis contained in *California Air Resources Board 2017 Scoping Plan-Identified VMT Reductions and Relationship to State Climate Goals*, January 2019 recommends project specific VMT reduction thresholds of 16.8 percent reduction from baseline for light-duty vehicle VMT (i.e., passenger cars and light trucks) or a 14.3 percent reduction for total VMT (i.e., all vehicles). See Appendix B for additional background.

- The Caltrans Local Development-Intergovernmental Review (LD-IGR) Branch has published Interim Guidance recommending that CEQA reviewers comment on VMT, "applying local agency thresholds or absent those, thresholds recommended in adopted CEQA Guidelines or OPR's approved Technical Advisory".

  Separately, Caltrans released draft Interim Guidance on "Determining CEQA Significance for GHG Emissions for Projects on the State Highway System" that recommends that any increase in GHG emissions would constitute a significant impact. This has been referred to as the "Net Zero VMT threshold". Using this threshold would result in most land use projects and land use plans resulting in significant impacts, but it would also result in the maximum feasible mitigation for VMT.

Attachment A: CEQA VMT Summary of Lead Agency Decisions, Options, and Considerations (February 18, 2020)

Lead Agency Decisions	Common Options	Common Limitations	Considerations
What form of the VMT metric should be used?	• Total VMT • Household-generated VMT per resident (from an activity-based model such as MTC) • Home-based VMT per resident (from a trip-based model such as SCTA) • Home-based work VMT per employee • Total VMT per service population[1]	Metrics other than total VMT and total VMT per service population typically only capture a portion of the VMT (i.e., some vehicle types and trip purposes are excluded). This may be acceptable for screening purposes, but not for a complete VMT impact analysis.	CEQA impact analysis should strive to provide a complete picture of the VMT effects on the environment. Current practice relies on estimates of total weekday VMT. The CEQA Guidelines and OPR's Technical Advisory leave all methodology decisions for VMT analysis up to the lead agency.

Is use of VMT impact screening desired?[3]	• Projects that reduce VMT or are located within transit priority areas (TPAs) can be presumed to have a less than significant impact.
	• Additional screening options are identified in the OPR Technical Advisory for:
	  • Small projects
	  • Map based screening for residential and office projects
	  • Affordable housing projects
		Screening focuses only on the project-generated VMT, and does not provide information about the total areawide VMT changes associated with the project.	Screening is most appropriate if consistent with General Plan policies and supported by substantial evidence.

What methodology should be used in forecasting VMT?	• Caltrans Statewide Travel Demand Model • MTC travel demand model • SCTA travel demand model • Sketch planning tool or spreadsheet[2]	• Statewide models have limited sensitivity and accuracy for local scale applications; the sensitivity of regional models can vary. • Regional and local models often truncate trips at model boundaries. • Sketch and spreadsheet tools do not capture the 'project's effect on VMT'.	Regional or local models should be calibrated and validated for local project-scale sensitivity/accuracy (including incorporating trip length data for trips that leave the model area) before using these models to analyze both 'project generated VMT' and 'project's effect on VMT'.
What is the VMT impact significance threshold for land use plans, including the general plan?	• OPR 15% below baseline average for a city or region (automobiles only)[4] • ARB 14.3% below baseline (2018) average of jurisdiction (all vehicles and presuming that MPOs meet SB 375 targets) • ARB 16.8% below baseline (2018) average of jurisdiction (automobiles only and presuming that MPOs meet SB 375 targets) • ARB 25% below baseline (2018) average of jurisdiction (all vehicles and presuming that MPOs do not meet SB 375 targets) • Lead agency discretion consistent with regional planning efforts; i.e., VMT under cumulative conditions less than or equal to projections by MPO for area.	Difficult for lead agencies to determine what level of VMT change is unacceptable when viewed solely through a transportation lens. Uncertainty of VMT trends contributes to difficulty in setting thresholds. Connecting a VMT reduction expectation to baseline helps to reduce uncertainty associated with future conditions. Thresholds may rely on assumptions regarding the regional RTP/SCS and its effectiveness; potential for threshold to change as RTP/SCS is updated.	The threshold for a land use plan will directly affect analysis of the General Plan. During the plan EIR process, there may need to be consistency with estimated VMT for Air Quality and Noise. Evaluating land use plans using total VMT rather than an efficiency metric may lead to more significant impacts, as growth will tend to increase VMT regardless of design. However, using a per service population assessment for large plan areas will often involve substantial changes to the nature of the service population as well (i.e., jobs-housing balance), which may complicate analysis and make comparison of scenarios difficult. For land use plans, there is an emphasis on allowing tiering of projects within the plan; uncertainty of future travel patterns or uneven growth of plan area (i.e., all office constructed before any other uses) may affect VMT discussion for tiered EIRs. Accurately assessing cumulative effects of land use plans may involve moving land uses from other areas of the region, especially if the growth exceeds regional estimates for the City.

Attachment A: CEQA VMT Summary of Lead Agency Decisions, Options, and Considerations (February 18, 2020)

Lead Agency Decisions	Common Options	Common Limitations	Considerations
What is the VMT impact significance threshold for land use projects under baseline conditions?	• Lead agency discretion consistent with general plan and expectations for 'project scale' VMT reductions not accounted for in general plan EIR and supported by substantial evidence. • OPR 15% below baseline average a city or region (automobiles only)[4] • ARB 14.3% below baseline (2018) average of jurisdiction (all vehicles and presuming that MPOs meet SB 375 targets) • ARB 16.8% below baseline (2018) average of jurisdiction (automobiles only and presuming that MPOs meet SB 375 targets) • ARB 25% below baseline (2018) average of jurisdiction (all vehicles and presuming that MPOs do not meet SB 375 targets) • Pending Caltrans threshold[5]	Difficult for lead agencies to determine what level of VMT change is unacceptable when viewed solely through a transportation lens. Uncertainty of VMT trends contributes to difficulty in setting thresholds. Connecting a VMT reduction expectation to baseline helps to reduce uncertainty associated with future conditions.	Since VMT is already used in air quality, GHG, and energy impact analysis, lead agencies should review thresholds for those sections to help inform new thresholds exclusively for transportation purposes. For land use projects, the City may consider thresholds based on Total VMT (which increases over time) or a VMT efficiency metric (which typically is forecast to decrease over time). Lead agencies should carefully consider how they value state goals for VMT/GHG reduction in light of other general plan and community objectives. Translating state goals into VMT thresholds should consider substantial evidence such as *California Air Resources Board 2017 Scoping Plan-Identified VMT Reductions and Relationships to State Climate Goals*, January 2019, CARB. Absent development of a specific VMT threshold, lead agencies may rely on those of other state agencies. The ARB thresholds are supported by substantial evidence related to state air quality and GHG goals, but based on current evidence, VMT per resident or worker may need to decrease in excess of 25 percent below baseline levels to support an impact finding of less than significant
What is the VMT impact significance threshold for land use projects under cumulative conditions?	• Use a regional model to analyze the 'project's effect on VMT' based on RTP/SCS consistency (projects should not increase the total regional VMT forecast used to support the RTP/SCS air quality conformity and SB 375 GHG targets). • A lead agency can use the project analysis above if based on an efficiency metric form of VMT and evidence exists to demonstrate that cumulative trends in VMT rates are declining. • Establish a VMT reduction threshold for cumulative conditions consistent with long-term air pollution and GHG reduction expectations.	Uncertainty of VMT trends makes a cumulative impact finding less certain. Ability for a lead agency to identify the project's effect on land supply and corresponding VMT. Land use projects typically only change land supply and the allocation of future population and employment growth. As such cumulative analysis should maintain the same cumulative control totals of regional population and employment growth. Requires knowledge of the forecasting tools available to test the project's effect on land supply and VMT.	Analyzing the project's effect on land supply and VMT should be done using an appropriate valid model. For impact findings, all available substantial evidence should be considered, including *California Air Resources Board 2017 Scoping Plan-Identified VMT Reductions and Relationships to State Climate Goals*, January 2019, CARB and current research on the long-term effects of transportation network companies (TNCs), new mobility options, and autonomous vehicles (AVs). Specific research examples include Fehr & Peers AV effect model testing.
What is the VMT impact significance threshold for transportation projects?	• Lead agencies have discretion to choose their own metrics and thresholds for transportation projects. If VMT is the metric selected, OPR recommends that bike/ped/transit projects and projects addressing localized operational problems be treated as having no VMT impact.	Transit, especially on-demand transit service, can generate new VMT, which should be considered as part of impact conclusions.	VMT forecasts for projects that affect roadway capacity should include the effects of induced travel. Consult CEQA legal advice regarding status of tiering transportation projects in existing CIP/TIP.

Attachment A: CEQA VMT Summary of Lead Agency Decisions, Options, and Considerations (February 18, 2020)

Lead Agency Decisions	Common Options	Common Limitations	Considerations
What VMT reduction <u>mitigation strategies</u> should be applied?	• Menu of built environment and transportation demand management (TDM) mitigation strategies contained in *Quantifying Greenhouse Gas Mitigation Strategies*, CAPCOA, 2010.	Built environment strategies require modifying the project's design or characteristics, which may affect the project's financial feasibility. Effectiveness of TDM strategies often depends on the building tenant, so relying on these strategies as a CEQA mitigation will require on-going monitoring and adjusting to account for changes in tenants and their travel behavior. Ad-hoc project-by-project mitigation is less effective for reducing VMT than larger scale program-based approaches such as an impact fee program.	Consider developing a VMT mitigation program using any of the following approaches. • Impact fee program based on a VMT reduction nexus (see City of Los Angeles example). • In-lieu fee program for VMT reducing actions. • VMT mitigation bank or exchange program. • TDM ordinance applying to all employers.

<u>Notes:</u>

(1) "Service population" includes residents plus employees and may include students or visitors if appropriate to that study location; it is intended to include all independent variables used in estimating trips.

(2) This method has limitations if using a citywide or regional average for a threshold.

(3) CEQA Guidelines Section 15064.3 states that projects that would reduce VMT or are located in a Transit Priority Area should be presumed to have a less than significant impact on VMT. The OPR *Technical Advisory* contains other potential screening options.

(4) The OPR and ARB thresholds do not consider the long-term influence of emerging transportation technologies such as ride-hailing companies, internet shopping, new mobility options, or autonomous vehicles.

(5) Caltrans is developing a threshold recommendation for land use projects for intergovernmental review (IGR) purposes. Local jurisdictions should consider whether a Caltrans (or ARB) threshold constitutes a state threshold that must be applied in addition to their local threshold; this would be similar to past practices for LOS impact analysis of the state highway system.

FEHR PEERS

Adopted VMT Thresholds

Jurisdiction	Threshold	LOS Maintained?
City/County of San Francisco	Residential: 15% below regional VMT per capita Office: 15% below regional VMT per employee Retail: 15% below regional VMT per retail employee Mixed-Use: Evaluate each land use independently	No
City of Oakland	Residential: 15% below regional VMT per capita Office: 15% below regional VMT per employee Retail: 15% below regional VMT per retail employee	Yes
City of Elk Grove	All Land Use Types: 15% below city's 2015 baseline VMT of similar land uses	Yes
City of Los Angeles	Project VMT should be no higher than the existing average VMT in the relevant Planning Area. Existing VMT ranges from 6.0 to 9.4 VMT per capita, and from 7.6 to 15.0 VMT per employee, depending on the Planning Area.	Yes
City of San Jose	Residential: More stringent of: 1) 15% below citywide VMT per resident or 2) 15% below regional VMT per resident General Employment: 15% below existing regional VMT per employee Industrial Employment Uses: No higher than existing regional VMT per employee Retail Uses: Net increase in the total regional VMT Mixed-Use: Each land use component to be analyzed independently	Yes
City of Woodland	10% reduction in VMT per capita or VMT per service population compared to the General Plan 2035 VMT performance, or a 10% reduction compared to similar land uses	Yes
CSU System: All 23 Campuses	15% below regionwide average VMT	No
San Bernardino County	4% below existing average VMT per service population in unincorporated county (based on maximum achievable TDM reduction)	Yes

Sample of VMT Threshold Options Currently Under Consideration

Jurisdiction	Potential Threshold
Santa Barbara County	Option 1: Daily VMT is no higher than the baseline regional average VMT Option 2**:** Daily VMT is at least 16.8% below baseline conditions (refers to ARB target)
City of South San Francisco	15% below regional VMT per capita
City of San Bruno	14.3% below existing VMT per service population (based on CARB assessment)
Nevada County	Option 1: Total weekday VMT per service population is less than or equal to the baseline subarea average Option 2: Consistent with the jurisdiction's general plan and the Nevada County Regional Transportation Plan

City of San José, California

COUNCIL POLICY

TITLE	PAGE	POLICY NUMBER
Transportation Analysis Policy	**1 of 15**	**5-1**
EFFECTIVE DATE March 29, 2018	**REVISED DATE**	
APPROVED BY COUNCIL ACTION February 27, 2018 by Resolution No. 78520.		

BACKGROUND

This Council Policy 5-1, "Transportation Analysis Policy" ("Policy"), will replace the existing Council Policy 5-3, "Transportation Impact Policy" as the Policy for transportation development review in the City of San José ("City"). This Policy aligns the City's transportation analysis with California Senate Bill 743 ("SB 743") and the City's goals as set forth in the City's Envision San José 2040 General Plan ("General Plan"). This Policy establishes the thresholds for transportation impacts under the California Environmental Quality Act ("CEQA"), removing transportation *Level of Service ("LOS")* and replacing it with *Vehicle Miles Traveled ("VMT").* Appendix A defines terms in this Policy noted in Italics.

The City's General Plan sets forth a vision and comprehensive road map to guide the City's continued growth through the year 2040. The General Plan strategically links land use and transportation to reduce the environmental impacts of growth by promoting compact mixed-use development that supports walking, biking, and transit use. The General Plan seeks to focus new developments in Planned Growth Areas, bringing together office, residential, and service land uses to *internalize trips* and reduce *VMT*. The General Plan also encourages the development and use of non-automobile transportation modes to minimize vehicle trip generation and reduce *VMT.*

APPLICABILITY OF POLICY (PIPELINE PROVISIONS)

This Policy is effective thirty (30) days after approval by the City Council ("Effective Date"). Any proposed development project (including adjustments or amendments to existing projects) with a complete Universal Planning Application on file with the Department of Building, Planning, and Code Enforcement on or after the Effective Date shall comply with this Policy, except for the following:

1. Interim Period: The City may determine in writing that a proposed project with a complete Universal Planning Application and an approved transportation work scope issued by the Department of Public Works prior to the Effective Date can (a) proceed with transportation analysis and comply with the existing Council Policy 5-3, provided that a final transportation work scope was issued by the Department of Public Works within one year prior to the Effective Date of this Policy; or (b) proceed with CEQA transportation analysis under VMT and comply with this Policy. Prior written approval from the Public Works Director is required to determine compliance with existing Council Policy 5-3 or this Policy. For example, if a project submits a complete Universal Planning Application prior to the Effective Date, the project applicant may proceed with traffic analysis under existing City Council Policy 5-3 or with prior written approval from the Public Works Director to proceed under this Policy.

2. Subsequent Reviews: The City may determine in writing that subsequent discretionary approval(s) required for a project approved prior to the Effective Date may continue to be analyzed under the prior environmental clearance and existing City Council Policy 5-3 after the Effective Date; provided

there is no Substantial Change to the project, as defined in California Public Resources Code Section 21166 and CEQA Guidelines Sections 15162-15164.

For example, if the City approved an environmental impact report (EIR) or mitigated negative declaration (MND) for a project prior to the Effective Date, the City may determine that subsequent discretionary approvals required after the Effective Date may continue to be analyzed under the previously approved environmental impact report or mitigated negative declaration for the project if there is no Substantial Change.

In such instances, the City may determine that the proposed project is consistent with the previously approved environmental clearance (use of a previously certified EIR/MND). If the proposed project is still within the scope of and fully evaluated in the previously approved environmental clearance and only minor technical changes have been made to the proposed project and there are no Substantial Changes, an addendum to the previously certified EIR/MND may be adequate as defined in CEQA Guidelines Section 15164.

3. Subsequent Review for Projects in Existing Area Development Policies (ADPs) and Transportation Development Policies (TDPs): The City may determine in writing that a proposed project be analyzed under the previously approved environmental clearance for the ADPs/TDPs and City Council Policy 5-3 if there is No Substantial Change, as defined in California Public Resources Code Section 21166 and CEQA Guidelines Sections 15162-15164. To be eligible for this determination, the proposed project that submits a complete Universal Planning Application after the Effective Date of this Policy must be located within an existing ADP or TDP area.

   For example, if a new project located within the North San José ADP submits a complete Universal Planning Application after the Effective Date, the City may determine that the project be analyzed under the previously approved North San José ADP EIR, if the proposed project is consistent with the previously approved EIR. If the proposed project is within the scope and fully evaluated in the previously approved EIR and only minor technical changes have been made to the proposed project and there are no Substantial Changes, an addendum to the previously approved EIR may be adequate as defined in CEQA Guidelines Section 15164.

   Existing ADPs and TDPs include the Evergreen-East Hills Development Policy, North San José Area Development Policy, Edenvale Area Development Policy, US-101/Oakland/Mabury Transportation Development Policy, and I-280/Winchester Boulevard Interchange Transportation Development Policy.

All projects located within an existing ADP or TDP area shall continue to be subject to any traffic impact fees adopted by the City Council. Adoption of this Policy does not negate, supersede, or otherwise modify existing requirements or permit conditions.

PURPOSE

This Policy establishes:

1) VMT as the metric to measure transportation environmental impacts in conformance with CEQA.

2) The Transportation Analysis framework for proposed developments, land use plans, transportation projects, and any other plans or developments (collectively "Projects" in this Policy) in the City.

3) The requirement that Projects perform Local Transportation Analysis (LTA) to demonstrate conformance with multimodal transportation strategies, goals, and policies in the General Plan and address adverse effects to the transportation system.

POLICY

San José is establishing *VMT* as the metric for CEQA transportation analysis to foster a more sustainable and vibrant city. *VMT*-based policies support dense, mixed-use, infill Projects as established in the General Plan's Planned Growth Areas. By establishing a transportation system which encourages improved land uses with viable transportation options, this Policy provides resources to develop a robust multimodal transportation network as envisioned in the General Plan. Projects consistent with this Policy will reduce the City's environmental footprint from transportation and land uses, and create lively places served by a variety of transportation options.

Transportation Analysis Framework

A Transportation Analysis (TA) for a proposed Project provides information the City must have to inform the CEQA environmental review and decision-making processes. Projects that need transportation evaluation must prepare a TA report consisting of a CEQA VMT evaluation and/or LTA. Sections I and II below describe the Policy provisions guiding the VMT evaluation and LTA. Appendix B, "Policy Implementation Procedures" provides implementation details.

Detailed methodologies and requirements are explained in the City's *Transportation Analysis Handbook*. TA's must comply with relevant professional standards and the methodology included within the City's *Transportation Analysis Handbook*, which can be found on the Department of Public Works Development Services website. Appendix C presents a flow chart of the TA process.

I. Vehicle Miles Traveled CEQA Transportation Analysis

In accordance with CEQA, all proposed Projects are required to analyze transportation as a component of environmental review. This Policy establishes:

1) screening criteria under which Projects are not required to submit detailed VMT analysis;
2) thresholds for identifying transportation environmental impact;
3) requirements for Projects to mitigate significant transportation impacts; and
4) the City's mechanism for reviewing Projects with significant and unavoidable impacts, all under CEQA.

Projects that do not meet the screening criteria are required to prepare a detailed *VMT* analysis and identify potential transportation impacts and propose mitigations and/or improvements.

A. Project Screening Criteria

The requirements to prepare a detailed VMT analysis applies to all Projects except the following types of Projects because the City Council finds, as documented in the administrative record for this Policy that these Projects will further City goals and policies and will not result in significant transportation impacts:

1. Small Infill Projects;
2. Local-Serving Retail;
3. Local-Serving Public Facilities;
4. Transit Supportive Projects in Planned Growth Areas with Low *VMT* and High Quality Transit;
5. Restricted Affordable, Transit Supportive Residential Projects in Planned Growth Areas with High Quality Transit;
6. Transportation Projects that reduce or do not increase VMT.

These screening criteria are further defined and explained in Appendix B.

B. Vehicle Miles Traveled CEQA Transportation Thresholds of Significance

Projects that do not meet the above screening criteria must include a detailed evaluation of the VMT produced by the Project. The thresholds of significance used to measure *VMT* are described by Project type in Table 1. Projects that have a significant VMT must include feasible mitigation measures which will avoid or substantially lessen such significant effects.

Table 1 - Project Type and VMT Thresholds of Significance[1]

Project Types (as categorized in the General Plan)	**Threshold for Determination of Significant Transportation Impact**
Residential Uses	*VMT* per resident greater than the more stringent of the following thresholds: 1) 15 percent below the Citywide per resident *VMT*, OR 2) 15 percent below regional *VMT* per resident.
General Employment Uses (e.g. office, R&D)	*VMT* per employee greater than 15 percent below existing regional *VMT* per employee.
Industrial Employment Uses (e.g. warehouse, manufacturing and distribution uses)	*VMT* per employee greater than existing regional *VMT* per employee.
Retail Uses (Including Hotel)	A net increase in the total existing *VMT* for the region.
Public/Quasi-Public Uses	Public/Quasi-Public land use projects will be analyzed using the most relevant threshold as determined by Public Works Director for the proposed use on the site from the enumerated project types in this Table 1.
Mixed-Uses	Each land use component of a mixed-use project will be analyzed independently, applying the significance threshold for each land use component from the enumerated project types in this Table 1.
Change of Use or Additions to Existing Development	Changes of use or additions to existing development will be analyzed applying the significance threshold for each land use component from the enumerated project types in this Table 1.
Urban Village, Station Area Plans, Development Policy, Specific Strategy or Other Area Plans	Each land use component will be analyzed independently, applying the significance threshold for each land use component from the enumerated project types in this Table 1.
General Plan Amendments	General Plan Amendments will be analyzed in conformance with the General Plan's definition of *VMT*. An increase in City total *VMT* is a significant transportation impact.
Transportation Projects	Net increase in *VMT* greater than that consistent with the Regional Sustainable Communities Strategy.

[1] For the Purposes of this Policy, the region is the Bay Area's Metropolitan Planning Organization's boundaries.

C. Less than Significant Impact with Mitigation

If a Project is found to have a significant impact on *VMT*, the impact must be reduced by modifying Project *VMT* to an acceptable level (below the established thresholds of significance applicable to the Project) and/or mitigating the impact through multimodal transportation improvements, or establishing a *Trip Cap*.

D. *Significant and Unavoidable Impacts*

If a Project cannot fully mitigate its impacts on *VMT*, the Project applicant may:

i. Propose to modify the Project such that the impacts on VMT can be mitigated to a less than significant level;

ii. Relocate the Project to a low VMT site; or

iii. Request the City Council to adopt a Statement of Overriding Considerations for the significant impact on VMT as part of an EIR certification.

When significant impacts are unavoidable, a detailed statement of overriding considerations in addition to findings are required as defined in CEQA Guidelines Sections 15191 and 15193. Based on the General Plan and State CEQA Guidelines, this Policy finds that benefits of certain projects may outweigh the unavoidable significant impacts on VMT and could be considered acceptable in certain circumstances as outlined below:

i. The Project is consistent with the 2040 General Plan and demonstrates overriding benefits in accordance with Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3); *and*

ii. The Project mitigates its *VMT* impacts to the maximum extent feasible per the City's *VMT* Evaluation Tool; *and*

iii. The Project is either:

   a. 100% affordable residential project, or

   b. The Project constructs or funds multimodal transportation improvements as detailed in Appendix B and is:

      (i) Market-rate housing located within Urban Villages as defined in the City's General Plan;

      (ii) Commercial; or

      (iii) Industrial.

A statement of overriding considerations may also be warranted in certain other circumstances such as Projects' impacts on other jurisdictions facilities (e.g., freeway impacts) that are not measured with VMT metric.

II. Local Transportation Analysis

The following section establishes the City's LTA requirements. All Projects may be required to submit an LTA as determined by the Public Works Director. Land use and area plans typically do not have sufficient detail to conduct an LTA and therefore, may not be required to perform one until a specific development Project application is filed consistent with the land use or area plan. An LTA analyzes the effects of a Project on transportation, access, circulation, and related safety elements proximate to the Project and establishes consistency with the General Plan or other City requirements. An LTA proposes improvements to address adverse effects identified in the analysis. Components of an LTA are discussed in the City's Transportation Analysis Handbook and include, but are not limited to:

- Local operational analysis, including safety and signalized intersection operations;
- Site access and circulation analysis;
- Local neighborhood effects analysis;
- Local multimodal analysis;
- Compliance with the County's Congestion Management Program.

LTAs provide additional information to evaluate transportation conditions proximate to a Project and supplements the *VMT* analysis. LTAs implement the multimodal vision of the City's General Plan. The General Plan directs new development to help build out the inter-connected, multimodal transportation networks needed to fulfil its vision. The following General Plan Policies guide the implementation of LTAs:

CD-3.3 - Within new development, create and maintain a pedestrian-friendly environment by connecting the internal components with safe, convenient, accessible, and pleasant pedestrian facilities and by requiring pedestrian connections between building entrances, other site features, and adjacent public streets.

LU-9.1 - Create a pedestrian-friendly environment by connecting new residential development with safe, convenient, accessible, and pleasant pedestrian facilities. Provide such connections between new development, its adjoining neighborhood, transit access points, schools, parks, and nearby commercial areas.

PR-8.5 - Encourage all developers to install and maintain trails when new development occurs adjacent to a designated trail location. Use the City's Parkland Dedication Ordinance and Park Impact Ordinance to have residential developers build trails when new residential development occurs adjacent to a designated trail location, consistent with other parkland priorities. Encourage developers or property owners to enter formal agreements with the City to maintain trails adjacent to their properties.

TR-1.2 - Consider impacts on overall mobility and all travel modes when evaluating transportation impacts of new developments or infrastructure projects.

TR-1.4 - Through the entitlement process for new development, fund needed transportation improvements for all transportation modes, giving first consideration to improvement of bicycling, walking and transit facilities. Encourage investments that reduce vehicle travel demand.

TR-2.8 - Require new development where feasible to provide on-site facilities such as bicycle storage and showers, provide connections to existing and planned facilities, dedicate land to expand existing facilities or provide new facilities such as sidewalks and/or bicycle lanes/paths, or share in the cost of improvements.

An LTA must identify the existing condition of pedestrian, bicycle, transit and vehicular transportation systems and facilities that would serve, or may be affected by, the proposed Project. Further analysis of site design and access, neighborhood traffic issues, local transportation safety and other area transportation issues may also be studied as specified in the City's Transportation Analysis Handbook and as determined by the City's Departments of Public Works. The Project applicant must complete the proposed LTA prior to, or in conjunction with, the Project's environmental review requirements.

APPENDIX A
TO CITY COUNCIL POLICY 5-1
DEFINITIONS OF TERMS

Term	Definition
High Quality Transit Areas	High quality transit areas are within one half mile of a *high quality transit corridor* or *major transit stop.*
High Quality Transit Corridor	Pub. Resources Code § 21155 (b), as may be amended: "A high-quality transit corridor means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours".
Internalized trips	Are trips that occur within a Project area whereas they would normally begin or end at further locations outside the Project area.
Level of Service (LOS)	Is a measure of automobile delay through a roadway facility, graded on a scale A through F.
Major Transit Stop	Pub. Resources Code § 21064.3, as may be amended: "'Major transit stop' means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods".
Planned Growth Areas	Areas designated in the City's General Plan to accommodate certain growth expected in the General Plan's horizon.
Transportation Demand Management (TDM)	Strategies to incentivize the more efficient use of existing transportation infrastructure through modal change particularly the encouragement of pedestrian, bike, and transit use.
Trip Cap	A maximum number of vehicle trips that a Project can generate on any given day.
Vehicle Miles Traveled (VMT)	As used in this Policy, a measure of the amount of automobile ~~travel associated with a Project. *VMT* is measured by multiplying~~ the total vehicle trips by the average distance of those trips, adjusted for the number of people in the vehicles. For residential and employment land uses, *VMT* is measured for each person who will occupy or use a Project. For large retail and transportation Projects, the net amount of *VMT* is measured.

APPENDIX B
TO CITY COUNCIL POLICY 5-1
POLICY IMPLEMENTATION PROCEDURES

The Project applicant[2] must submit a Transportation Analysis (TA) that identifies:

1) Potential transportation impacts as defined in the *VMT* section of this Policy and adverse effects on nearby transportation facilities as identified by the LTA section of this Policy.

2) Mitigations for significant impacts found in the *VMT* analysis and improvements to address adverse effects identified in the LTA analysis. This may include impacts and adverse effects on any multimodal transportation facility (e.g., pedestrian facilities, transit stops, transit reliability, sidewalks, bicycle lanes, roadways, and roadway capacity, etc.).

Both the *VMT* analysis and LTA must comply with professional standards and the methodology included in the City's Transportation Analysis Handbook. TAs must be prepared by a qualified traffic engineer to the satisfaction of the Director of Public Works.

The City's Transportation Analysis Handbook has instructions and procedures to prepare a TA, including the criteria for determination of significance of transportation impacts and to evaluate the effectiveness of mitigation measures. The City's Department of Transportation maintains this Handbook and posts it to the City Public Work's Development Services website. The Handbook is updated on a periodic basis to include evolving industry best practices.

CEQA VMT Implementation Procedures

CEQA Guidelines Section 15126.2 requires that environmental documents determine significant or potentially significant impacts as part of environmental review, including assessment of traffic and transportation effects. The CEQA VMT Implementation Procedures include the following determinations:

- **Project Screening Criteria**
- **CEQA VMT Transportation Thresholds of Significance**
- **Less than Significant with and without Mitigation/s**
- **Significant and Unavoidable Impacts**

These determinations are further explained below.

A. Project Screening Criteria

The requirement to perform detailed *VMT* analysis applies to all Projects except the types of Projects that meet the following screening criteria because the Council finds that these Projects will not result in significant transportation impacts and will advance other City goals and policies:

1. **Small Infill Projects:** The City Council finds that these Projects, individually and cumulatively, will not result in significant impacts on the transportation system and will conform to the City's General Plan, and other City goals and policies:

   a. All office buildings of 10,000 square feet of gross floor area or less.

   b. All industrial buildings of 30,000 square feet of gross floor area or less.

[2] For this Policy, the term "applicant" refers to the individual or entity that has requested an entitlement or discretionary development approval from the City of San José.

c. All single-family detached residential Projects of 15 or fewer dwelling units.

d. All single-family attached or multi-family residential Projects of 25 or fewer units.

In no case shall any of these above types of small infill Projects meet the screening criteria if they are increments of a larger Project or "site" as defined in Chapter 20.200 of the San José Municipal Code.

2. **Local-Serving Retail:** Local-serving retail typically diverts existing trips from established *local retail to new local retail without measurably increasing trips outside of the area.* In recognition of this effect, retail commercial Projects up to a combined total of 100,000 gross square feet meet the City's screening criteria. This criterion is not applicable to hotels/motels, given disparate and context-specific travel patterns, or Projects that contain drive-through retail as defined in City Council Policy 6-10 "Criteria for the Review of Drive-through Uses", due to the high auto-traffic volume associated with this type of Project.

   In no case shall a Project meet the screening criteria if it is an increment of a larger Project or "site" as defined in Chapter 20.200 of the San José Municipal Code.

3. **Local-Serving Public Facilities:** Local-serving public facilities either produce very low *VMT* or divert existing trips from established local facilities to new local facilities without measurably increasing trips outside of the area. For these reasons, they meet the City's screening criteria. These facilities must be publicly owned or controlled; this does not include schools, public or private. Examples of these Projects are:

   a. Branch Library
   b. Community Center
   c. Fire station
   d. Pumping station
   e. Passive Parks

4. **Transit Supportive Projects in *Planned Growth Areas* with Low *VMT* and *High Quality Transit*:** In accordance with State Law and the City's General Plan, proposed transit supportive Projects within City Planned Growth Areas, that have *VMT* below the threshold applicable to the Project's land use, and located near *high-quality transit* meet the City' screening criteria.

   ~~Residential and commercial Projects, as well as mixed-use Projects which are a mix of~~ *these above enumerated uses, meet the screening criteria if they meet* **all** the following minimum criteria (a through f):

   a. Located within a Planned Growth Area as defined in the General Plan;

   b. Located within ½ mile of an existing *major transit stop* or a stop along a *high-quality transit corridor;*

   c. The Project area *VMT*, as defined by the City's Transportation Model, is less than or equal to the CEQA *VMT* threshold for the proposed land use(s);

   d. Provides a transit-supporting Project density, measured as:

      i. A minimum Floor Area Ratio (FAR) of 0.75 for commercial Projects, or commercial portions of a mixed-use Project, based on gross floor area;

ii. A minimum of 35 dwelling units per acre for residential Projects[3], or residential portions of a mixed-use Project; or

iii. If the Project is in a Planned Growth Area that has a maximum density below 0.75 FAR or 35 dwelling units per acre, the Project must meet the maximum density allowed in the Planned Growth Area.

e. Provides a minimal amount of parking:

i. Propose no greater than the minimum number of parking spaces required by Title 20 of the San José Municipal Code (the Zoning Code).

ii. For Projects in Urban Villages, Downtown or other areas that allow for lowered parking rates:

- The number of parking spaces proposed must be adjusted to the lowest amount allowed by Zoning Code. For example, in an Urban Village a 50% off-street parking reduction is allowed by Municipal Code Section 20.90.220, if a Project meets certain geographic and transportation demand management criteria. All actions required by the Zoning Code to reduce parking requirements must still be carried out. For example, if a Transportation Demand Management plan is required to lower parking requirements it must still be completed; or
- The proposed number of parking spaces can be up to the general zoned minimum without the further reduction to Urban Villages, Downtown or other areas, if the parking provided is shared and publicly available and/or "unbundled" as defined in Chapter 20.200 of the Zoning Code.

f. Does not adversely affect pedestrian, bike, or transit infrastructure. For example, sidewalk widths cannot be reduced below the City's Complete Streets standard; bike lanes cannot be altered to reduce their accessibility or size beyond the City' Complete Streets standard.

5. **Restricted Affordable, Transit Supportive Residential Projects in *Planned Growth Areas with High Quality Transit*:** Residents of affordable residential Projects typically have a lower *VMT* footprint than residents in market rate residential Projects. This pattern is particularly evident in affordable residential Projects near transit.[4] In recognition of this effect, and in accordance with State Guidelines and the City's General Plan, proposed transit supportive, restricted, affordable housing Projects within City Planned Growth Areas, that are near *high quality transit,* meet the City's screening criteria.

Affordable residential Projects, as well as affordable residential portions of mixed-use Projects, meet the screening criteria if the Project meets **all** the following minimum criteria (a through f):

a. Provide 100% restricted affordable units, excluding unrestricted manager units, at or below income levels as defined in General Plan Policy IP-5.12. Affordability restrictions must be recorded and extend for a minimum of 55 years for rental homes or 45 years for for-sale homes.

b. Located within a Planned Growth Area as defined in the General Plan.

c. Located within ½ mile of an *existing major transit stop* or a stop along *high quality transit corridor.*

[3] 35 units per acre is derived from the California State Office of Planning and Research's suggested FAR of 0.75.
[4] Newmark and Hass, "Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy", The California Housing Partnership, 2015.

d. A minimum of 35 dwelling units per acre:

   i. If the Project is in a Planned Growth Area that has a maximum density below 35 dwelling units per acre, the Project must meet the maximum density allowed in that Planned Growth Area.

   ii. Projects that are proposed in areas where *VMT* is above the CEQA Threshold for Determination of Significant Transportation Impact must include a TDM plan approved by the Public Workers Director as part of their LTA.

e. Provides a minimal amount of parking:

   i. Propose no greater than the minimum number of parking spaces required by Title 20 of the San José Municipal Code (the Zoning Code).

   ii. For Projects in Urban Villages or Downtown:

   – The number of parking spaces proposed must be adjusted to the lowest amount allowed by the Zoning Code. For example, a street parking reduction of 50 percent is allowed in Urban Villages by Municipal Code Section 20.90.220, if a Project meets certain geographic and transportation demand management criteria.

   – The proposed number of parking spaces can be up to the general zoned minimum without the further reduction to Urban Villages, Downtown or other areas, if the parking provided is shared and publicly available and/or "unbundled" as defined in Chapter 20.200 of the Zoning Code.

f. Does not adversely affect pedestrian, bike, or transit infrastructure. For example, sidewalk widths cannot be reduced below the City's Complete Streets standard; bike lanes cannot be altered to reduce their accessibility or size beyond the City' Complete Streets standard.

6. **Transportation Projects that reduce or do not affect VMT:** Transportation Projects that inherently support environmental, land use, and transportation goals of the City and State by reducing significant traffic impacts to a less than significant level or being neutral to meet the City's screening criteria. Examples include transportation Projects that enhance pedestrian, bike, or transit infrastructure, and transportation Projects that maintain current infrastructure, without adding new automobile capacity. The Governor's Office of Planning and Research in the 2017 Guidelines for Implementing SB 743 published a list of such Projects that is enumerated below:

   - Rehabilitation, maintenance, replacement, and repair Projects designed to improve the condition of existing transportation assets (e.g., highways, roadways, bridges, culverts, tunnels, transit systems, and assets that serve bicycle and pedestrian facilities) and that do not add additional motor vehicle lanes.
   - Roadway shoulder enhancements to provide "breakdown space," otherwise improve safety or provide bicycle access.
   - Addition of an auxiliary lane of less than one mile in length designed to improve roadway safety.
   - Installation, removal, or reconfiguration of traffic lanes that are not for through traffic, such as left, right, and U-turn pockets, or emergency breakdown lanes that are not utilized as through lanes.
   - Addition of roadway capacity on local or collector streets provided the Project also substantially improves conditions for pedestrians, bicyclists, and, if applicable, transit.

- Conversion of existing general purpose lanes (including ramps) to managed lanes or transit lanes, or changing lane management in a manner that would not substantially decrease impedance to use.
- Addition of a new lane that is permanently restricted to use only by transit vehicles
- Reduction in number of through travel lanes.
- Grade separation to separate vehicles from rail, transit, pedestrians, or bicycles, or to replace a lane to separate preferential vehicles (e.g. HOV, HOT, or trucks) from general vehicles.
- Installation, removal, or reconfiguration of traffic control devices, including Transit Signal Priority (TSP) features.
- Traffic metering systems.
- Timing of signals to optimize vehicle, bicycle, or pedestrian flow.
- Installation of roundabouts or traffic circles.
- Installation or reconfiguration of traffic calming devices.
- Adoption of or increase in tolls.
- Addition of tolled lanes, where tolls are sufficient to mitigate VMT increase.
- Initiation of new transit service.
- Conversion of streets from one-way to two-way operation with no net increase in number of traffic lanes.
- Removal or relocation of off-street or on-street parking spaces.
- Adoption or modification of on-street parking or loading restrictions (including meters, time limits, accessible spaces, and preferential/reserved parking permit programs)
- Addition of traffic wayfinding signage.
- Rehabilitation and maintenance Projects that do not add motor vehicle capacity.
- Addition of new or enhanced bike or pedestrian facilities on existing streets/highways or within existing public rights-of-way.
- Addition of Class I bike paths, trails, multi-use paths, or other off-road facilities that serve non-motorized travel.
- Installation of publicly available alternative fuel/charging infrastructure.
- Addition of passing lanes in rural areas that do not increase overall vehicle capacity along the corridor.

B. CEQA VMT Transportation Thresholds of Significance

VMT, as used in this Policy, measures the amount of personal motorized vehicle travel associated with a Project. *VMT* is measured by multiplying the total vehicle trips by the average distance those trips travel.

For residential and employment uses other than retail commercial uses, *VMT* is measured for each person who will occupy or use the Project. For retail commercial and transportation Projects, the net amount of *VMT* is measured to identify potential impacts.

The thresholds of significance, by Project type used by the City of San José to measure *VMT* are described in Table 1 of this Policy. Detailed methods for calculating *VMT* by Project type are further described in the City's Transportation Analysis Handbook.

C. Less than Significant with Mitigation

If a Project is determined to have a significant impact on *VMT*, it must reduce that impact by modifying the Project *VMT* to an acceptable level; that is below the established thresholds of significance applicable to the Project and/or mitigating the impact through multimodal transportation network improvements, or transportation demand management program as measured by a *Trip Cap*.

Methodologies for measuring and mitigating *VMT* for Projects are described in the City's Transportation Analysis Handbook. These methodologies for measuring and mitigating *VMT* for Projects must conform to the City's Transportation Analysis Handbook.

A *Trip Cap* as used in this Policy is a maximum number of vehicle trips allowed during any given day associated with a Project. The City, in coordination with the Project applicant, will set a Project's *Trip Cap* at a level that is reasonably attainable through proven means and enables the Project's VMT to be reduced below the relevant threshold(s). The TA must include a plan for implementation and funding of the *Trip Cap* for the life of the Project and will become part of the Project's conditions of approval. Further, this plan must include methods for an annual trip mitigation, monitoring and reporting program (MMRP). The requirements of *Trip Cap* monitoring must include contingency plan for the City to make changes if the *Trip Cap* compliance reports demonstrate a failure to reduce the number of vehicles.

A short grace period not to exceed six (6) months will be provided to Projects that are not in compliance with their *Trip Cap* requirements based on the annual monitoring report. Such a non-conforming Project will be required to submit a new *Trip Cap* implementation plan which includes how and why the already established plan failed and new strategies and measures to attain the *Trip Cap.*

Monetary fees will be assessed if a Project is not in compliance with its *Trip Cap* after the grace period. The annual monetary fees are set at 1/5th the cost of the Transportation System Improvement(s) value defined in Section D2 below. Monetary fees collected will be used in the same manner as described in Section D2 below.

D. Significant and Unavoidable Impacts

If a Project is unable to fully mitigate *VMT* impact(s) and thus results in significant and unavoidable VMT transportation impact(s), the Project may:

1. Modify/Change or relocate the Project to a low VMT site to meet *VMT* threshold(s). This could include the following: Changing the Project type, increasing density and land use diversity, adjusting Project design, reducing off-street parking supply, replacing market rate units with affordable housing units, include local multimodal transportation network improvements as part of the Project, or undertake the Project in an area of the City where *VMT* is lower; or

2. The City Council may adopt a statement of overriding considerations as part of the environmental impact report certification process pursuant to Public Resources Code 21081.

   Council will only consider a statement of overriding considerations for Projects that meet the following criteria:

   a. Commercial or industrial Projects that:
      i. Demonstrate overriding benefits to the City, as determined by the City Council, in accordance with Public Resources Code 21081, based on a recommendation by City staff; and
      ii. Are consistent with the General Plan, and any applicable area plan(s).

   b. Residential Projects that:
      i. Are located in Urban Villages as defined in the City's General Plan;
      ii. Demonstrate overriding benefits to the City, as determined by the City Council, in accordance with Public Resources Code 21081, based on a recommendation by City staff;
      iii. Meet the density requirements specified in the Transit Supportive Projects in *Planned Growth Areas* with Low *VMT* and *High Quality Transit* screening criteria; and

iv. Are consistent with the General Plan, and any applicable area plan(s).

To be eligible under clauses a. and b. above, a Project must also construct or fund multimodal transportation improvement(s), called Transportation System Improvement(s) that will improve system efficiency and/or safety, enhance non-auto travel modes, and promote citywide reduction of VMT. A Project's contribution, either through construction or payment towards improvements and expansion of the City's multimodal transportation system, is a way to achieve and be consistent with the related General Plan goals and policies.

The value of Transportation System Improvements that a Project applicant must construct or fund will be based on the amount of *VMT* impacts their Project is unable to mitigate. Table 2, VMT Values for Transportation System Improvements shows the values for commercial, industrial, and residential Projects per vehicle mile traveled not mitigated.

Table 2 - VMT Value for Transportation System Improvements

Project Type	Value
Commercial; Industrial	$3,200 per Vehicle Mile Traveled not mitigated
Residential	$2,300 per Vehicle Mile Traveled not mitigated

The value of Transportation System Improvements will increase annually, on January 1st in line with the Engineering News-Record Construction Cost Index (ENR CCI) to ensure that the value remains consistent over time.

For purposes of clarification, improvements to the citywide multimodal transportation system as discussed in this section are not "mitigation" for significant *VMT* impacts, as mitigation is defined by CEQA. Such improvements would not necessarily reduce or avoid the significance of *VMT* impacts that cannot be mitigated. These improvements to the multimodal transportation system are one of the overriding benefits to the community and findings made to this effect that can assist the Council in determining whether the overriding benefits of the proposed Project outweigh the significant effects on the environment.

c. Affordable housing Projects that are 100% restricted affordable units, excluding unrestricted manager units, at or below income levels as defined in General Plan Policy IP-5.12. Affordability restrictions must be recorded and extend for a minimum of 55 years for rental homes or 45 years for for-sale homes.

Affordable housing Projects must be consistent with the General Plan, as well as any applicable area plan(s), and the City Council may consider a statement of overriding considerations even if the Project's VMT impact cannot be fully mitigated to a less than significant level. These affordable housing Projects will be required to mitigate their VMT impacts to the maximum extent feasible, as determined by the City of San José's Vehicle Miles Traveled Evaluation Tool, including implementation of a tailored TDM plan. However, these Projects would not be required to construct or fund Transportation System Improvements.

APPENDIX C
TO CITY COUNCIL POLICY 5-1
Flow Chart of the Transportation Analysis Process